

INFORMATION BULLETIN

WORKFORCE INVESTMENT ACT

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: LWIA ADVISORY COMMITTEE CONFERENCE CALL MINUTES—
MAY 18, 2007

The minutes from the Local Workforce Investment Area (LWIA) Advisory Committee conference call on Friday, May 18, 2007, are attached for your review and information. Please ensure that the minutes are provided to the appropriate staff.

If you have any questions regarding the minutes, please contact Terrietta Robinson at (916) 654-8035 or Jim Scholl at (916) 657-4610.

/S/ BOB HERMSMEIER
Chief
Workforce Services Division

Attachments

LOCAL WORKFORCE INVESTMENT AREA ADVISORY COMMITTEE CONFERENCE CALL

Friday, May 18, 2007

Agenda

10 a.m. Welcome/Agenda Building/Hot Topics

Bob Hermsmeier,
Workforce Services
Division (WSD)

- WIA – 7 Year Funding History
- Budget Reductions
- Performance Negotiations with DOL
- Thin Client and One-Stop Automation
- Rapid Response Funding
- Revamping Regional Advisors
- Local Planning Guidance
- Premises Consolidation
- Policy and Information Dissemination
- Program Integration

CWIB Updates

Barbara Halsey,
California Workforce
Investment Board
(CWIB)

- SB 293
- Waivers
- Special Committees Update
- State Plan
- State Level One-Stop Certification
- Cost Study

Information

- Self Service Directive
- WIA Reauthorization

Bob Sadler, WSD
Michael Evashenk, WSD

LOCAL WORKFORCE INVESTMENT AREA ADVISORY COMMITTEE CONFERENCE CALL MINUTES

Friday, May 18, 2007

Welcome/Agenda Building/Hot Topics—Bob Hermsmeier, Workforce Services Division (WSD)

- **Workforce Investment Act (WIA)–Seven Year Funding History**—A seven year analysis of WIA funding levels for California in comparison to the national level was completed by Workforce Services Branch (WSB) staff. Since implementing the WIA in State Fiscal Year 2000-2001, WIA funding to California has decreased \$252 million or 40 percent. Over the same period the national level of authority from Congress to the Department of Labor (DOL) has dropped 7 percent or \$263 million. This analysis indicates California is taking the greatest reductions in the WIA program. A major cause for the decrease is due to the lack of hold harmless in the Dislocated Worker (DW) formula funding. The DW funding in California decreased three times more than it did for Youth and Adult programs. In reality, California's allotment for DW dropped \$161 million or 54 percent over the seven year time period while the national amount dropped \$117 million or 7 percent. Although the national reduction is significant, California should not take the majority of the reduction. We asked that the local areas aggressively advocate with their Congressional legislators to change the DW formula.
- **Budget Reductions**—California's budget reduction is not as severe as in previous years, but the DW program for California has taken a significant reduction.

One of the members asked if there would be any carry over from the 15 percent and 25 percent funding. The member also wanted to know what the State's expectations were regarding funds for the next program year.

The State has a total of \$1 million of uncommitted funds in the 25 percent funding account; however, there are \$3 million in pending requests for these funds. The requests are currently going through the review process. The 15 percent funding account is used and committed early each year. At this time there will be no carryover from this program year into next on either the 15 percent or the 25 percent accounts.

- **Performance Negotiations with DOL**—The State has started negotiations with the DOL Veterans on our targets and performance expectations. The Regional Office is clearing our proposed negotiated levels through the proper channels in Washington, D.C. California is committed to increasing service levels to veterans through the One-Stops by Employment Development Department (EDD) staff dedicated to providing case management and providing services to veterans in the One-Stops. It was noted, California needs to improve its entered employment rate for veterans.

A member asked if there has been any thought to a public outreach campaign. This would help promote the relationship between getting veterans employment with the veteran service agencies and the One-Stop agencies.

Bob indicated the State has had discussions about public outreach campaigns and has been marketing its current program, "Hire a Vet, Hire a Hero." To promote the program, ten workshops have been scheduled throughout the State. These workshops are ongoing and very successful. What is important is taking the "Hire a Vet, Hire a Hero" platform into local areas to bring the employers and veterans together. The EDD is also placing emphasis on the transition process for people getting ready to leave military service. The Transition Assistance Program is part of the out-processing effort at all major California military posts and bases. The other aspect of marketing the program is to do public announcements related to veteran services in different local areas.

The WIA and Wagner-Peyser performance negotiations will occur in June. California has sent a preliminary proposal to DOL regarding the expectations of what the State feels could be done to improve performance. Once negotiations are finished, the results will be distributed.

- **Thin Client and One-Stop Automation**—Bob Stadler, WSD. Currently EDD is attempting to get the State's network upgraded. EDD has been working to update the personal computers located in the lobbies of the Field Offices. Statewide deployment of the Thin Client is tentatively scheduled for mid to late July.
- **Rapid Response Funding**—Jose Luis Marquez, WSD. Currently the State is working on dividing the funds in the different categories. Hopefully, announcement of funding levels will be made in June. EDD's clean up efforts of the WIA121 Rapid Response (RR) forms are behind schedule. (WIA 121 form is used to record RR services provided to dislocated workers and to record other allowable RR services provided to LWIAs)
- **Reassigning Regional Advisors**—Jose Luis Marquez, WSD. As Bob Hermsmeier mentioned earlier, the federal budget reduction has an impact on the State budget. EDD has made the decision to reduce the number of staff in the Program and Technical Assistance Section. This equates to the loss of two Regional Advisors for the next program year. WSD is in the process of reassigning Regional Advisors to each of the local areas. This rotation means administrators will probably see a different Regional Advisor and in some cases a different configuration in terms of the areas assigned to an Advisor. WSD expect the changes to take place in about a month.
- **Local Planning Guidance**—Michael Evashenk, WSD. We are working with staff from the California Workforce Investment Board (CWIB) to develop guidance for local plan modifications for the new program year. Local areas can expect the new process to be similar to the process for the prior two year plan which equates to an extension of what the local areas already have in place. In addition, local plans will need to include any significant changes local areas may have from an economic standpoint in the local area, changes in the funding, performance goals, plus any changes to the local board structure. The State will integrate aspects of Senate Bill

(SB) 293 into the local plans. In particular, there are some new requirements in SB 293 related to local labor representation, so local areas will be asked to address that requirement in their plans.

- **Premises Consolidation**—Bill Burke, WSB. Dennis Petrie has publicly indicated the EDD is committed to reducing the premises' costs within all EDD branches. EDD is looking to reduce its premises' costs by \$7.5 million for all branches in the next 18 months and recently sent a matrix to local area administrators with some proposed premises reductions, downsizing, or consolidations. In terms of program operations, EDD has also instructed the Field Division Chiefs to obtain input from the local area administrators. Bill stated feedback has been received from the California Workforce Association (CWA), California Labor Federation and others that decisions have already been made on the matrix. This is not the case.

Administrators were advised to contact the appropriate Field Division Chief, district administrator or regional manager for specifics on what might be done in terms of a particular premise.

A member asked if the State has targeted any of the properties for sale. Bill stated the State does not have anything definitive at this time. However, there are a couple areas where some preliminary discussion has taken place with City and County officials.

- **Policy and Information Dissemination**—Michael Evashenk, WSD. Effective July 1, 2007, the WSB will combine two processes used to disseminate policy or different types of information. Currently, the WIA policy and information are shared on the EDD Web site in the form of policy directives or information bulletins. EDD Job Services (JS) staff currently receives policy and information data on the EDD Intranet in the form of notices or bulletins.

The change will be mostly transparent to the WIA side since the process for clearing directives or bulletins will primarily stay the same. However, the communications on the JS side will make a significant shift to begin operating in a public environment. The effort to combine these processes will enable local partners and field staff to see the same information at the same time. An information notice will be issued giving more details on the new process.

- **Program Integration**—Bob Hermsmeier, WSD. On February 8, 2007, the EDD attended a CWA sponsored meeting with Greg Newton to discuss the future of the workforce system. That meeting then generated several other meetings.

On May 14, 2007, Dennis Petrie invited Barbara Halsey, Virginia Hamilton, Bruce Stenslie and several local area administrators to discuss next steps. Greg will be in Sacramento on June 1, 2007, meeting with a small group of State and local representatives to continue planning efforts around the integration of WIA and Wagner-Peyser programs.

CWIB Updates

SB 293—Barbara Halsey, CWIB. The CWIB has contracted with Larry Good to assist in the development of a strategic planning process for implementing SB 293. Larry will be working with the Partners Coordination Team to develop a timeline and identify the necessary deliverables.

Waivers—John Bohart, CWIB. California has requested an extension on all of the five existing waivers that are in the current State Plan. On two of the waivers, we requested additional flexibility.

- Incumbent Worker Training Waiver – The new request would increase the amount of formula funding (from 10 percent to 50 percent) a LWIA could use for incumbent worker training.
- Transfer Authority Waiver – DOL is indicating strong support to increase the transfer authority between the Adult and DW programs to 100 percent. If the waiver is approved then local authority to transfer funds between those two funding streams would increase to 100 percent.

The waivers workgroup also received two new waiver requests:

- Common Measures Waiver – This waiver is going through the clearance process. It will then go out for public comment and then to the Board who will finalize the request and send to DOL.
- Business Capitalization – This waiver has caused concerns. Board staff have developed an issue paper which will ultimately be sent to the authors of the waiver request and then to the waivers workgroup.

Special Committees Update—Javier Romero, CWIB. The Special Committee meeting occurred in the last part of March for all four special committees. The committees focused principally on the SB 293 implementation effort.

State Plan—John Bohart, CWIB. The Plan was submitted on time to the DOL. Their review process involves national and regional teams which will review the plans. Currently the review at DOL is on track and going fine.

State Level One-Stop Certification—Barbara Halsey, CWIB. The workgroup is discussing processes for the State level One-Stop certification effort. No decisions have been made at this time, however, discussions will continue with the Labor and Workforce Development Agency.

Cost Study—Ray York, CWIB. The cost study should be ready in final form in the next six to eight weeks. We plan to start vetting it through the process in July. Some aspects of that report will be made public for discussion.

Self Service Directive—Marc Wilson, WSD. Effective July 1, 2005, the Office of Management and Budget (OMB) issued guidance that requires states to report quarterly aggregate counts of the number of individuals receiving self-services or universal services funded by WIA.

On May 31, 2006, the WSD issued Draft Directive WIADD-120 for comment. The Division received a significant number of comments, primarily requesting further clarification of various elements of the guidance. Concurrently, additional questions were raised about the need for an unduplicated count of self-service participants, not just in the WIA program, but across programs for WIA and Wagner-Peyser. At the April Management Information System User Group meeting, some questions were raised on how locals would record self-service activity.

The WSD recommended a solution to the self-service count issue at a previous LWIA Advisory Committee meeting. The recommended proposal was discussed by the Advisory Group and it is being incorporated into a draft directive. It was WSD's plan to share the draft directive for discussion at the conference call held Friday, May 18, 2007. However, the draft directive is still under development pending resolution of issues regarding recording/updating when an individual comes into the One-Stop for self-service activities. The directive is expected to be out for comment in June.

WIA Reauthorization—Bob Hermsmeier, WSD. Bob indicated the WSB priority for reauthorization was dealing with the funding allocations and the formulas. The other priority was One-Stop infrastructure funding; and requirements to have all partners pay their fair share in the One-Stops.

A member indicated that CWA was most interested in getting the WIA formulas changed. He suggested that if the House of Representatives would include the witness testimony from the Governmental Accounting Office, they would testify that the formulas are inequitable. This in turn might help increase the appropriation for California.

Trade Adjustment Assistance—Bob Hermsmeier, WSD. Liz Clingman felt that the first conference call with the TAA workgroup that the State formed was very positive. The intent is to establish a better integration of the WIA and TAA programs.

Member Vacancies—Bob Hermsmeier, WSD. Bob encouraged the current advisory members to send him some names of people they feel would add value to the advisory group. The group currently has eight members, however, when the group was established it was agreed there would be ten members in the group.